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Financing of the United Nations Preventive Deployment Force

Financing of the United Nations Preventive Deployment Force

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Preventive Deployment Force for the period from 1 July 1997 to 30 June 1998. The General Assembly, by its resolution 51/154 B of 13 June 1997, appropriated an amount of $46,506,700 gross ($44,969,500 net) for the same period.

Expenditures for the period totalled $39,611,000 gross ($38,659,100 net), resulting in an unencumbered balance of $6,895,700 gross ($6,310,400 net).

The unencumbered balance resulted from lower operational requirements and vacancies in military and civilian personnel staffing in view of the expected liquidation of the Force pursuant to Security Council resolution 1142 (1997) of 4 December 1997.

The action to be taken by the General Assembly in connection with the financing of the Force is a decision on the treatment of the unencumbered balance of $6,895,700 gross ($6,310,400 net) for the period from 1 July 1997 to 30 June 1998.

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I. Introduction

1. By its resolution 795 (1992) of 11 December 1992, the Security Council authorized the deployment of a United Nations presence in the former Yugoslav Republic of Macedonia. By its resolution 983 (1995) of 31 March 1995, the Council decided that the United Nations Protection Force within the former Yugoslav Republic of Macedonia should be known as the United Nations Preventive Deployment Force (UNPREDEP).

2. The initial budget for the maintenance of UNPREDEP for the period from 1 July 1997 to 30 June 1998 was set out in the report of the Secretary-General dated 15 January 1997 (A/51/508/Add.1) and amounted to $44,298,000 gross ($42,760,800 net). The budget provided for a reduced military strength of 750 troops pursuant to Security Council resolution 1082 (1996) of 27 November 1996.

3. In its resolution 1105 (1997) of 9 April 1997, however, the Security Council decided to suspend the reduction of the military component of UNPREDEP in the light of the situation in the region. The Secretary-General subsequently submitted a revised budget for the maintenance of UNPREDEP for the period from 1 July 1997 to 30 June 1998 (A/51/508/Add.3), estimated at $49,474,800 gross ($47,937,600 net), which provided for the retention of the Force's military strength of 1,050 troops. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 15 of its report of 28 May 1997 (A/51/910), recommended that the General Assembly appropriate $44.6 million gross for the period.

4. The General Assembly, in its resolution 51/154 B of 13 June 1997, appropriated the amount of $46,506,700 gross ($44,969,500 net) for the maintenance of UNPREDEP for the period from 1 July 1997 to 30 June 1998, inclusive of an amount of $1,906,700 for the support account for peacekeeping operations.

II. Implementation of the budget

5. Information on the operations of UNPREDEP and on the situation on the ground during the reporting period under review is contained in the reports of the Secretary-General to the Security Council dated 11 August 1997 (S/1997/631), 20 November 1997 (S/1997/911) and 1 June 1998 (S/1998/454 and Corr.1).

6. As indicated in paragraph 2 above, the original UNPREDEP budget covering the period from 1 July 1997 to 30 June 1998 was based on a strength of 750 troops. However, following the decision of the Security Council in its resolution 1105 (1997) to suspend the reduction of the military component of the Force, the budget was revised to provide for the maintenance of UNPREDEP at its full strength of 1,050 troops. The Council subsequently decided, by its resolution 1110 (1997) of 28 May 1997, to start on 1 October 1997 a two-month phased reduction of the military component from 1,050 to 750 troops. By its resolution 1142 (1997) of 4 December 1997, the Council further decided to extend the mandate of the Force for a final period ending on 31 August 1998, with the withdrawal of the military component immediately thereafter.

7. The above-mentioned developments affected the implementation of the UNPREDEP budget during the period under review, particularly the decision taken midway through the fiscal period to terminate the mission. Vacant posts for international and local staff were not filled in view of the projected liquidation of the mission. This resulted in an average vacancy rate of 17.1 per cent for international staff and 15.7 per cent for local staff. The

vacancy rate for the military component averaged 1.5 per cent. In addition, a number of planned projects were not undertaken, resulting in savings under premises, equipment, public information and training.

III. Financial performance report for the period from 1 July 1997 to 30 June 1998

8. As indicated in table 1 below, from the appropriation of $46,506,700 gross ($44,969,500 net) for the maintenance of UNPREDEP for the period from 1 July 1997 to 30 June 1998, expenditures amounted to $39,611,000 gross ($38,659,100 net), inclusive of $14,476,300 in unliquidated obligations. The resulting unencumbered balance of $6,895,700 gross ($6,310,400 net) represents, in gross terms, approximately 15 per cent of the amount appropriated. Annex I to the present report contains the financial performance information for the reporting period by budget line item, and supplementary information on significant variances is presented in annex II. Annex IV contains a chart showing apportionment and expenditures by the main budget groups.

Table 1
Apportionment and expenditure
(Thousands of United States dollars)

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Military personnel costs	20 471.3	20 248.5	222.8
Civilian personnel costs	10 266.0	8 080.7	2 185.3
Operational costs	12 165.0	7 696.9	4 468.1
Other programmes	160.5	76.3	84.2
United Nations Logistics Base at Brindisi	0.0	650.0	(650.0)
Support account for peacekeeping operations	1 906.7	1 906.7	0.0
Staff assessment	1 537.2	951.9	585.3
Total	**46 506.7**	**39 611.0**	**6 895.7**
Income from staff assessment	(1 537.2)	(951.9)	(585.3)
Voluntary contributions in kind (budgeted)	0.0	0.0	0.0
Net requirements	**44 969.5**	**38 659.1**	**6 310.4**
Voluntary contributions in kind (non-budgeted)	0.0	0.0	0.0
Total resources	**44 969.5**	**38 659.1**	**6 310.4**

[a] Inclusive of $14,476,300 in unliquidated obligations.

9. Information on the deployment of military and civilian personnel during the reporting period is presented in table 2 and in annexes II and III.

Table 2
Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 1997 to 30 June 1998

Personnel category	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (percentage)*
Military observers	35	35	—
Military contingents	875[a]	862	1.5
Civilian police	26	26	—
International staff	76	63	17.1
Local staff	127	107	15.7

[a] Based on 1,050 troops from 1 July to 30 November 1997 and 750 troops from 1 December 1997 to 30 June 1998.

IV. Action to be taken by the General Assembly at its fifty-third session

10. The action to be taken by the General Assembly in connection with the financing of UNPREDEP is to decide on the treatment of the unencumbered balance of $6,895,700 gross ($6,310,400 net) for the period from 1 July 1997 to 30 June 1998.

Annex I

Financial performance report for the period from 1 July 1997 to 30 June 1998: summary statement

(Thousands of United States dollars)

	(1)	(2)	(3)	(4) = (1-3)
	Apportionment	*Non-recurrent expenditures*	*Total expenditures (inclusive of non-recurrent expenditures)*	*Variance*
I. Military personnel costs				
1. Military observers	1 306.3	-	1 291.4	14.9
2. Military contingents	15 262.2	-	15 054.3	207.9
3. Other costs pertaining to military personnel				
(a) Contingent-owned equipment	3 538.4	-	3 538.4	-
(b) Death and disability compensation	364.4	-	364.4	-
Subtotal, line 3	3 902.8	-	3 902.8	-
Total, category I	**20 471.3**	-	**20 248.5**	**222.8**
II. Civilian personnel costs				
1. Civilian police	971.9	-	908.2	63.7
2. International and local staff	9 294.1	-	7 172.5	2 121.6
3. International contractual personnel	-	-	-	-
4. United Nations Volunteers	-	-	-	-
5. Government-provided personnel	-	-	-	-
6. Civilian electoral observers	-	-	-	-
Total, category II	**10 266.0**	-	**8 080.7**	**2 185.3**
III. Operational costs				
1. Premises/accommodation	2 152.4	27.0	1 223.8	928.6
2. Infrastructure repairs	180.0	-	201.5	(21.5)
3. Transport operations	3 719.9	429.6	2 939.2	780.7
4. Air operations	1 450.5	-	1 270.2	180.3
5. Naval operations	-	-	-	-
6. Communications	1 405.5	1.9	728.1	677.4
7. Other equipment	364.7	60.2	178.5	186.2
8. Supplies and services	1 596.3	-	828.2	768.1
9. Air and surface freight				
(a) Transport of contingent-owned equipment	700.8	-	-	700.8
(b) Commercial freight and cartage	594.9	-	327.4	267.5
Subtotal, line 9	**1 295.7**	-	**327.4**	**968.3**
Total, category III	**12 165.0**	**518.7**	**7 696.9**	**4 468.1**

	(1)	(2)	(3)	(4) = (1-3)
	Apportionment	*Non-recurrent expenditures*	*Total expenditures (inclusive of non-recurrent expenditures)*	*Variance*
IV. Other programmes				
1. Election-related supplies and services	-	-	-	-
2. Public information programmes	120.5	-	73.9	46.6
3. Training programmes	40.0	-	2.4	37.6
4. Mine-clearing programmes	-	-	-	-
5. Assistance for disarmament and demobilization	-	-	-	-
Total, category IV	**160.5**	**-**	**76.3**	**84.2**
V. United Nations Logistics Base at Brindisi	-	-	650.0	(650.0)
VI. Support account for peacekeeping operations	1 906.7	-	1 906.7	-
VII. Staff assessment	1 537.2	-	951.9	585.3
Total, categories I–VII	**46 506.7**	**518.7**	**39 611.0**	**6 895.7**
VIII. Income from staff assessment	(1 537.2)	-	(951.9)	(585.3)
IX. Voluntary contributions in kind (budgeted)	-	-	-	-
Total, categories VIII–IX	**(1 537.2)**	**-**	**(951.9)**	**(585.3)**
Gross requirements	46 506.7	518.7	39 611.0	6 895.7
Net requirements	44 969.5	518.7	38 659.1	6 310.4
X. Voluntary contributions in kind (non-budgeted)	-	-	-	-
Total resources	**44 969.5**	**518.7**	**38 659.1**	**6 310.4**

Annex II

Supplementary information on significant variances

Military personnel costs

Apportionment: $20,471,300; expenditure: $20,248,500; variance: $222,800

1. The unutilized balance of $222,800 under military observers ($14,900) and military contingents ($207,900) resulted primarily from the fact that one contingent did not claim daily allowance or reimbursement for rotation travel. These savings were partially offset by additional requirements for troop costs and rations. The apportionment provided for an average strength of 850 troops, whereas the actual strength averaged 862 troops. The additional requirements for rations were needed to settle prior period invoices ($180,000), since they had been put on hold pending clarification from the supplier, and to provide for the higher than projected number of troops in the mission area ($58,500).

Civilian personnel costs

Apportionment: $10,266,000; expenditure: $8,080,700; variance: $2,185,300

2. The unutilized balance of $2,185,300 under this heading resulted from reduced requirements for civilian police ($63,700) and for international and local staff ($2,121,600).

3. The unutilized balance of $2,121,600 under international and local staff resulted from the average monthly vacancy rate of 17.1 per cent for international staff and 15.7 per cent for local staff during the reporting period. In view of the anticipated termination of the mission pursuant to Security Council resolution 1142 (1997) of 4 December 1997, vacant posts were not filled, resulting in savings for salaries, common staff costs and mission subsistence allowance.

Operational costs

Apportionment: $12,165,000; expenditure: $7,696,900; variance: $4,468,100

4. The unutilized balance of $4,468,100 under operational costs resulted from reduced requirements totalling $4,489,600 under premises/accommodation ($928,600), transport operations ($780,700), air operations ($180,300), communications ($677,400), other equipment ($186,200), supplies and services ($768,100) and air and surface freight ($968,300). These savings were partially offset by additional requirements of $21,500 under infrastructure repairs.

Premises/accommodation

Apportionment: $2,152,400; expenditure: $1,223,800; variance: $928,600

5. The unutilized balance under this heading resulted primarily from utilization of surplus stocks of maintenance supplies from closed missions and lower requirements due to expected liquidation of the Force as well as lower requirements for utilities. This was due to two factors: (a) the closure of Kumanovo base camp and observation posts and (b) no increase in electricity costs during the period under review.

Transport operations

Apportionment: $3,719,900; expenditure: $2,939,200; variance: $780,700

6. The unutilized balance under this heading resulted from savings related to purchase of vehicles, spare parts, repairs and maintenance and petrol, oil and lubricants. Twenty-nine jeeps and seven sedans were purchased through a global purchase order at lower unit costs than budgeted. Additional savings were attributable to the availability of spare parts from surplus stock, the implementation of cost-saving measures on the use of petrol, including fuel monitoring, and the downsizing of the mission.

Air operations

Apportionment: $1,450,500; expenditure: $1,270,200; variance: $180,300

7. The unutilized balance of $180,300 under air operations resulted from reduced requirements under helicopter operations ($164,200), aircrew subsistence allowance ($9,500) and other air operations costs ($6,600).

8. The unutilized resources of $164,200 under helicopter operations resulted from 330 less flying hours utilized, due to the downsizing of the Force.

Communications

Apportionment: $1,405,500; expenditure: $728,100; variance: $677,400

9. The unutilized resources of $677,400 under communications were realized under spare parts and supplies, since only emergency supplies were procured in view of the planned liquidation of the Force. Moreover, implementation of a preventive maintenance programme reduced the need for those items. Savings were also realized under commercial communications, partly as a result of strict control over telephone use.

Other equipment

Apportionment: $364,700; expenditure: $178,500; variance: $186,200

10. The unutilized resources of $186,200 under other equipment resulted from lower costs of spare parts for generators received from the United Nations Logistics Base at Brindisi, Italy, the transfer of 33 refrigerators and 2 fuel pumps from surplus stock and the suspension of fuel station and field defence equipment projects as a result of the expected liquidation of the mission.

Supplies and services

Apportionment: $1,596,300; expenditure: $828,200; variance: $768,100

11. The unutilized balance of $322,600 under miscellaneous services and $445,500 under miscellaneous supplies was attributable to the following factors: (a) the provision of laundry and dry cleaning services by two contingents under self-sustainment arrangements, the cost of which is reflected under contingent-owned equipment; (b) the availability of supplies from surplus stock; (c) the donation of medical supplies by the Government of Germany; and (d) overall reduced requirements due to the downsizing of the mission.

Air and surface freight

Apportionment: $1,295,700; expenditure: $327,400; variance: $968,300

12. Following the repatriation of 300 troops during this period, one contingent also repatriated a large quantity of its equipment, including 15 armoured personnel carriers, 45 per cent of its utility trucks and 21 per cent of its utility jeeps. The United Nations has not yet been informed by the Government concerned if it intends to seek reimbursement for the cost of transporting those items. There were also lower requirements for commercial freight and cartage as a result of the reduction in strength and curtailment of activities in view of the anticipated liquidation.

United Nations Logistics Base at Brindisi

Apportionment: none; expenditure: $650,000; variance: ($650,000)

13. Pursuant to section I, paragraph 3 of General Assembly resolution 52/1 A of 15 October 1997, an amount of $650,000, representing the ad hoc prorated share of UNPREDEP for the financing of the Logistics Base, was provided during the reporting period.

Staff assessment

Apportionment: $1,537,200; expenditure: $951,900; variance: $585,300

14. The unutilized balance of $585,300 under the above heading was due to vacancy rates of 17.1 and 15.7 per cent for international and local staff respectively during the period.

Income from staff assessment

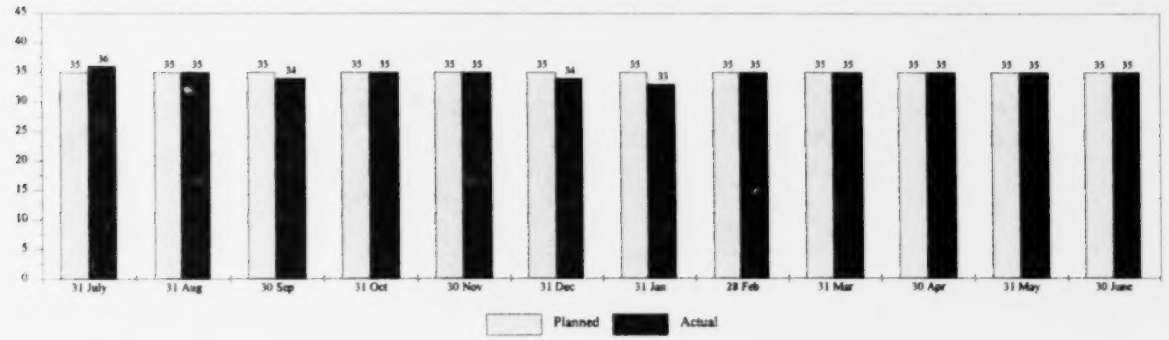
Apportionment: ($1,537,200); expenditure: ($951,900); variance: ($585,300)

15. This amount is derived from staff assessment (see para. 14 above).

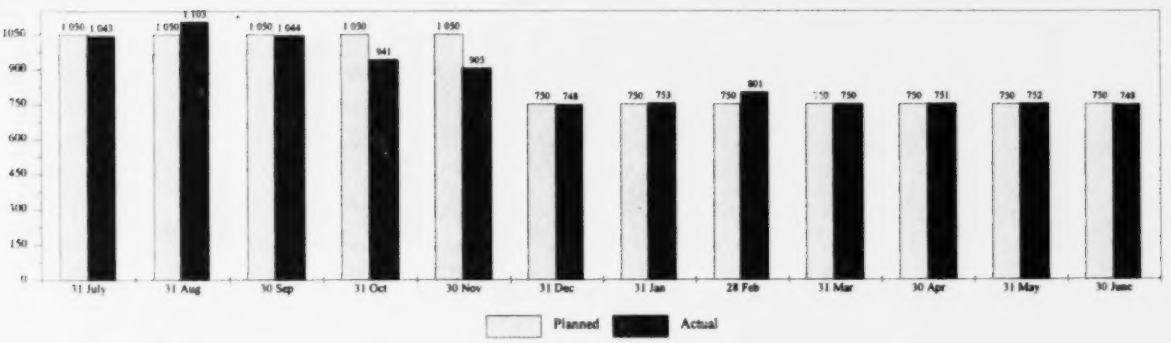
Annex III

Planned and actual deployment of military and civilian personnel for the period from 1 July 1997 to 30 June 1998

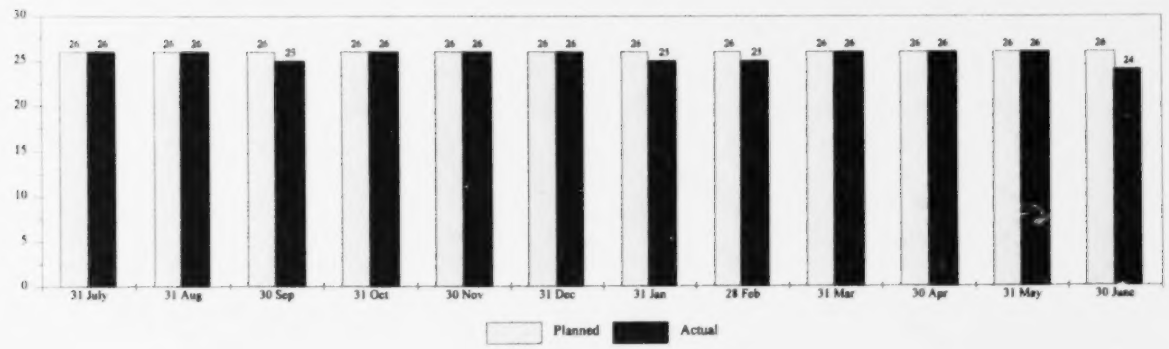
1. Military observers



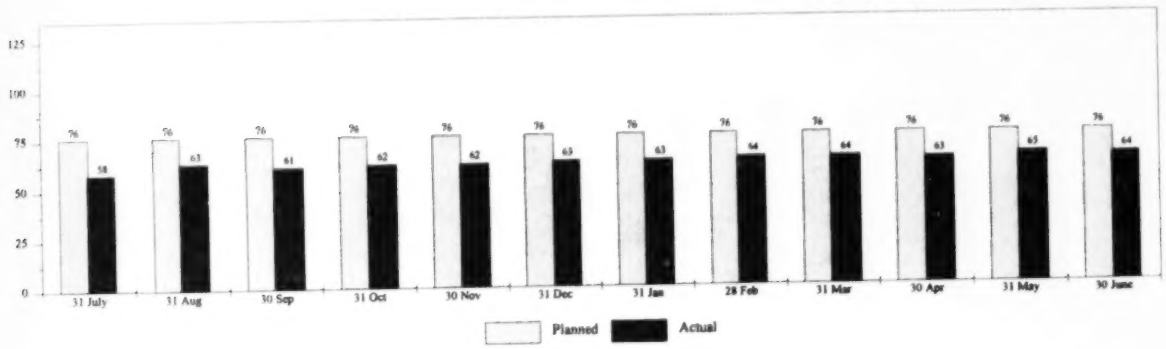
2. Military contingents



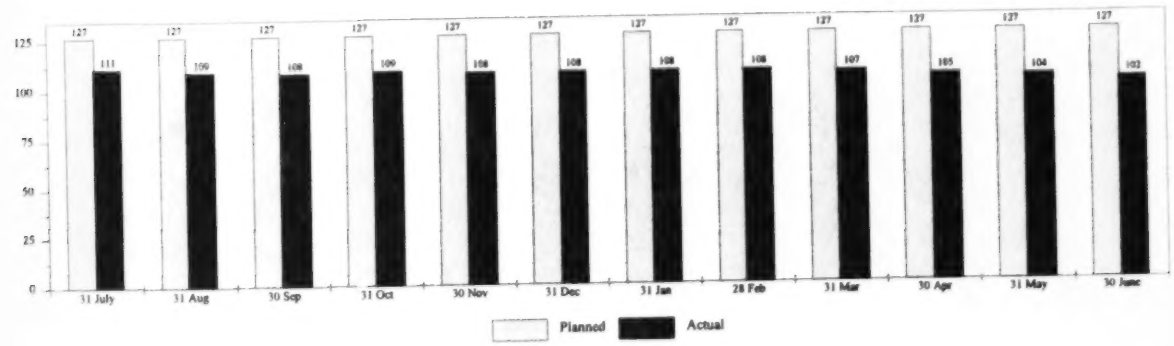
3. Civilian police



4. International staff



5. Local staff



Annex IV

Apportionment and expenditures for the period from 1 July 1997 to 30 June 1998